



Virginia Information Technologies Agency



Information Technology Advisory Council

Sam A. Nixon Jr.

Chief Information Officer of the Commonwealth

November 1, 2010





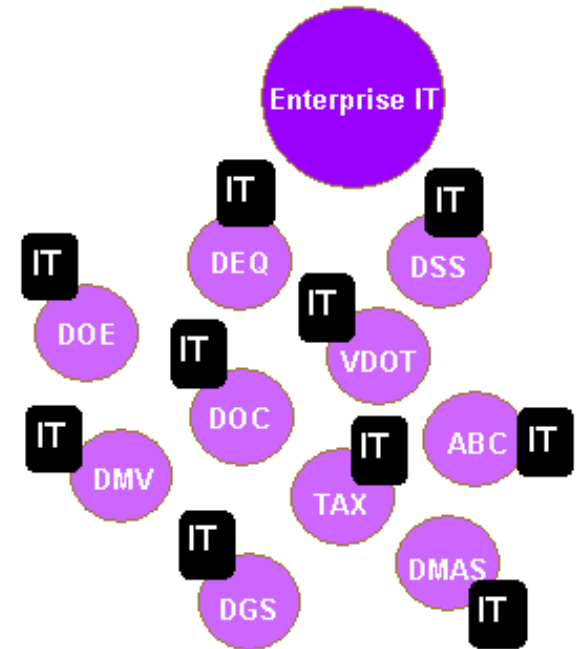
ITAC

- Information Technology Advisory Council
 - Comprised of the business owners of state government
- Established to advise the CIO
 - CoVA Strategic Plan IT
 - IT Standards
 - Enterprise Applications
 - Separate and distinct from ...
 - CIO Council
 - AITR
 - ISO AGs



State of Technology: 2002

- 90+ independent, autonomous IT shops
- Independent, duplicative systems
- Millions \$ in failed IT projects, no PMO
- Aging, decades old infrastructure
- Inadequate security no disaster planning
- Inability to leverage buying power or make investments
- Obstacles to sharing information across agencies
- Few metrics on performance, spend and service delivery





Objective

- Uniform, consistent, business-like approach to the management of IT services
- Concept of “Shared Services” - statewide information *infrastructure* technology services for government entities
- Central technology procurement, standards, policy and procedures
- Security policy and standards for Executive, Judicial and Legislative branches
- Project management oversight and approval for all major IT projects
- Enterprise Applications, Wireless E-911, VGIN



VITA – Created in 2003

- Concept based on SoTech and JLARC reports, Legislative input.
- Consolidation of statewide information *infrastructure* technology services for government entities.
- Central technology procurement, policy and procedures
- Security policy and standards for Executive, Judicial and Legislative branches
- Project management oversight for all major IT projects

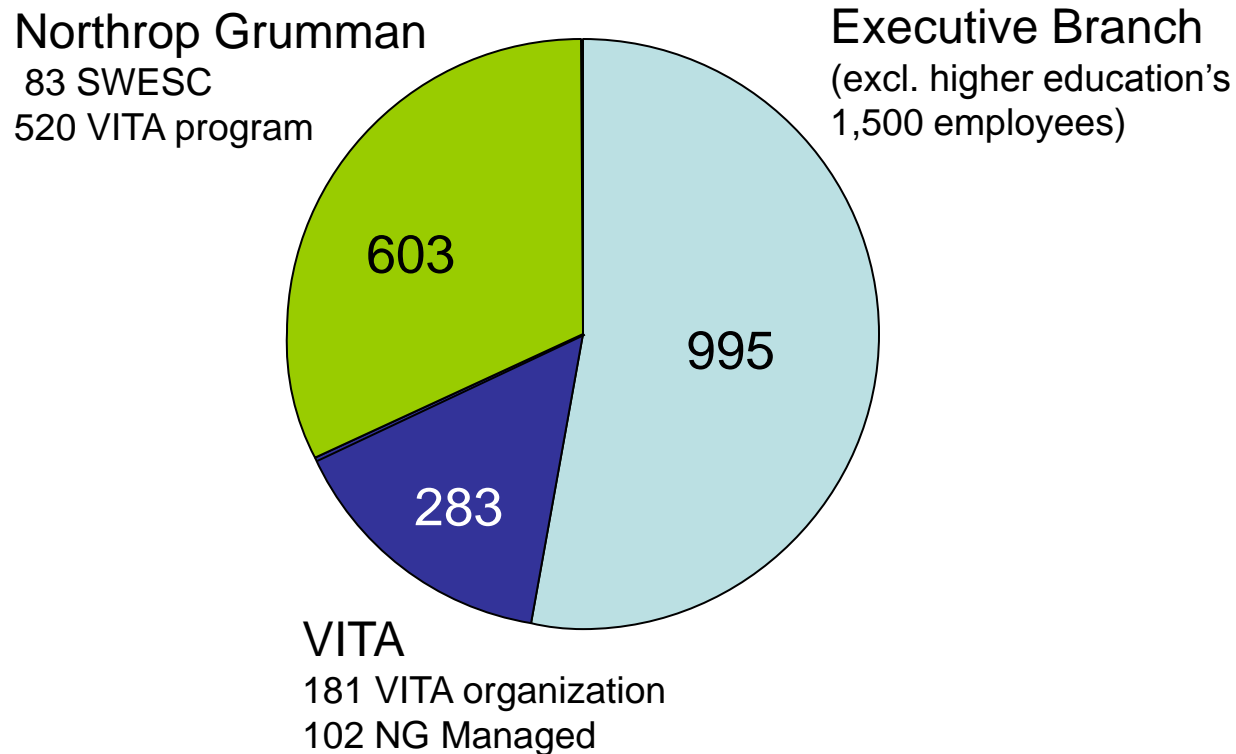


VITA – Revamped in 2010

- SB 236/HB 1034 enacted March 11, 2010
 - Legislation implemented multiple JLARC recommendations
- Governance changes:
 - Information Technology Investment Board eliminated
 - CIO appointed by Governor
- IT projects
 - Definition of “major IT project”
 - Goal: complete by end of 2010
 - Based on complexity, not just cost



CoVA IT Workforce

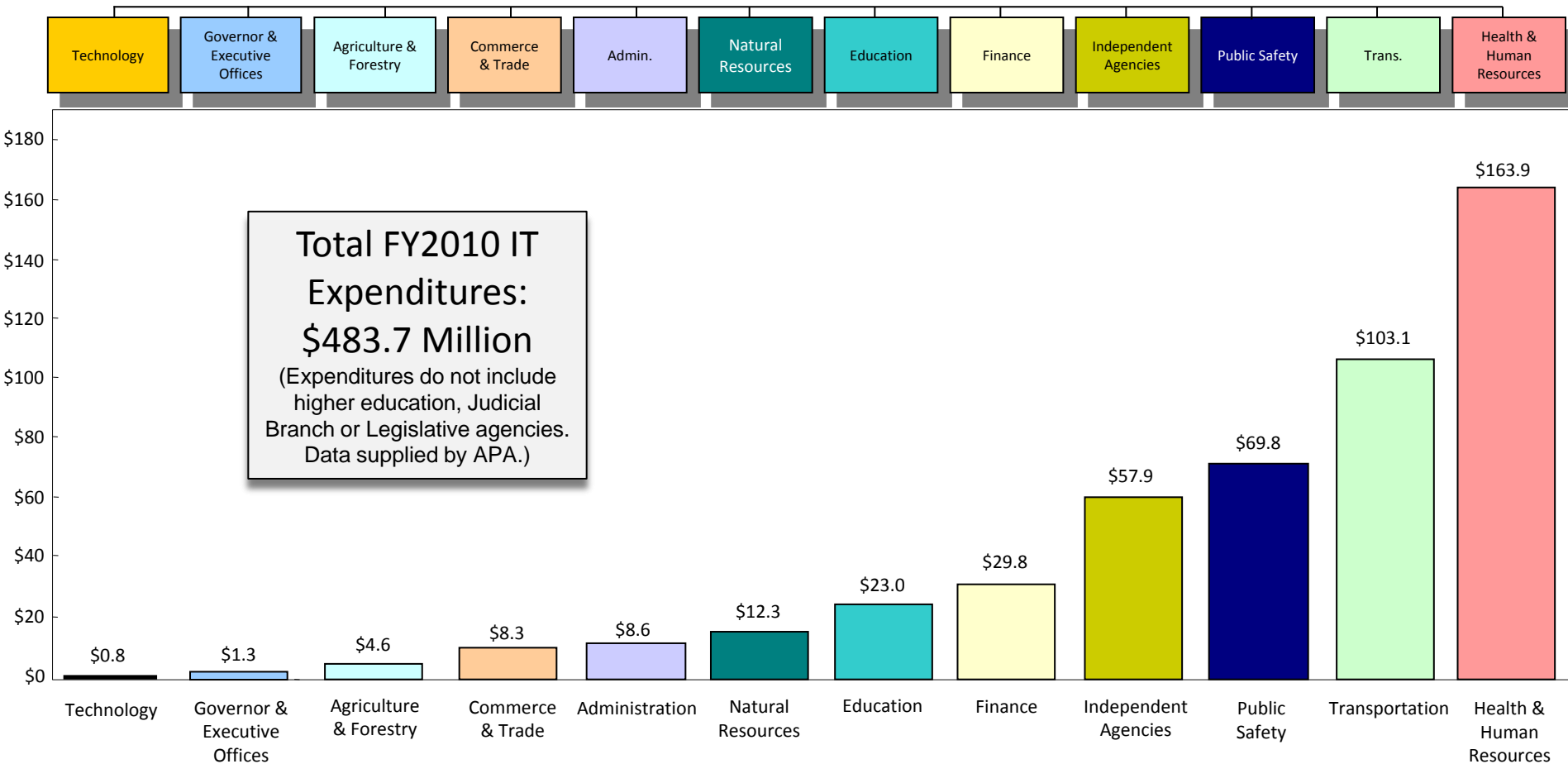


Sources: DHRM, Aug 25, 2010
Northrop Grumman HR
VITA HR



FY 2010 IT Expenditures by Secretariat

(Millions of U.S. Dollars) – In-scope Executive Branch Agencies and Independent Agencies



IT infrastructure for Executive branch

PCs and Servers

54,573 computers

3,627+ servers

Disk storage

1.3 petabytes

Mainframe

4,850 MIPS

2.24 terabytes

E-mail

57,991 mailboxes

Network

64,118 ports

Printers

5,911 network printers

22,000 desktop printers

Communications

~55,000 desk phones

~3,600 handhelds (PDAs)

~11,000 wireless devices
(cell phones)

Locations: 2,200



Source: IT Asset Inventory, Spring 2010



IT Infrastructure Program

- Established one of nation's largest state government public-private infrastructure contracts
 - November 2005 with Northrop Grumman Corporation
 - Valued at \$2.3 billion over 10 years
 - \$270 million up-front capital investment, job creation and modernization initiatives
 - Virginia obtains agile 21st century infrastructure for what it was paying to maintain decades old infrastructure

NG Capital Investment

"Jump-Starting" Infrastructure Investments Through Private Partners

Messaging Services



Enterprise Exchange/Outlook E-mail
Enterprise Collaboration Tools
Active Directory, DNS
\$25M Investment

Desktop



Mass Desktop Refresh
Network Printer Consolidation and Refresh
Enterprise Desktop Management Systems
\$35M Investment

Help Desk



Enterprise Help Desk in Russell and Chesterfield
Field Based Agents and Technicians for Level 3
Enterprise Help Desk System (Peregrine)
\$10M Investment

Mainframe and Servers



New IBM and Unisys Mainframes
Consolidation and Refresh of Servers
Migration of servers to the Data Center
\$50M Investment

Transformation

People – Process – Tools

Reliable, High-Performance,
Enterprise-Wide IT Infrastructure
\$270 Million Investment

Security



Enterprise Security Operations Center
Computer Security Incident Response Center
Secure Internet Gateway
\$10M Investment

Tier 3 and Tier 2 Facilities



New Data Center/Office Building in Chesterfield
New Disaster Recovery Center and Help Desk
in Lebanon, Russell County
\$60M Investment

Network



New Commonwealth-Wide MPLS Core WAN
LAN upgrades to Local Switches/Routers as Needed
Network Re-addressing of IP, DHCP
\$60M Investment

Voice / Video



Voice-Over IP Network Optimized for
Voice and Video Traffic
\$20M Investment

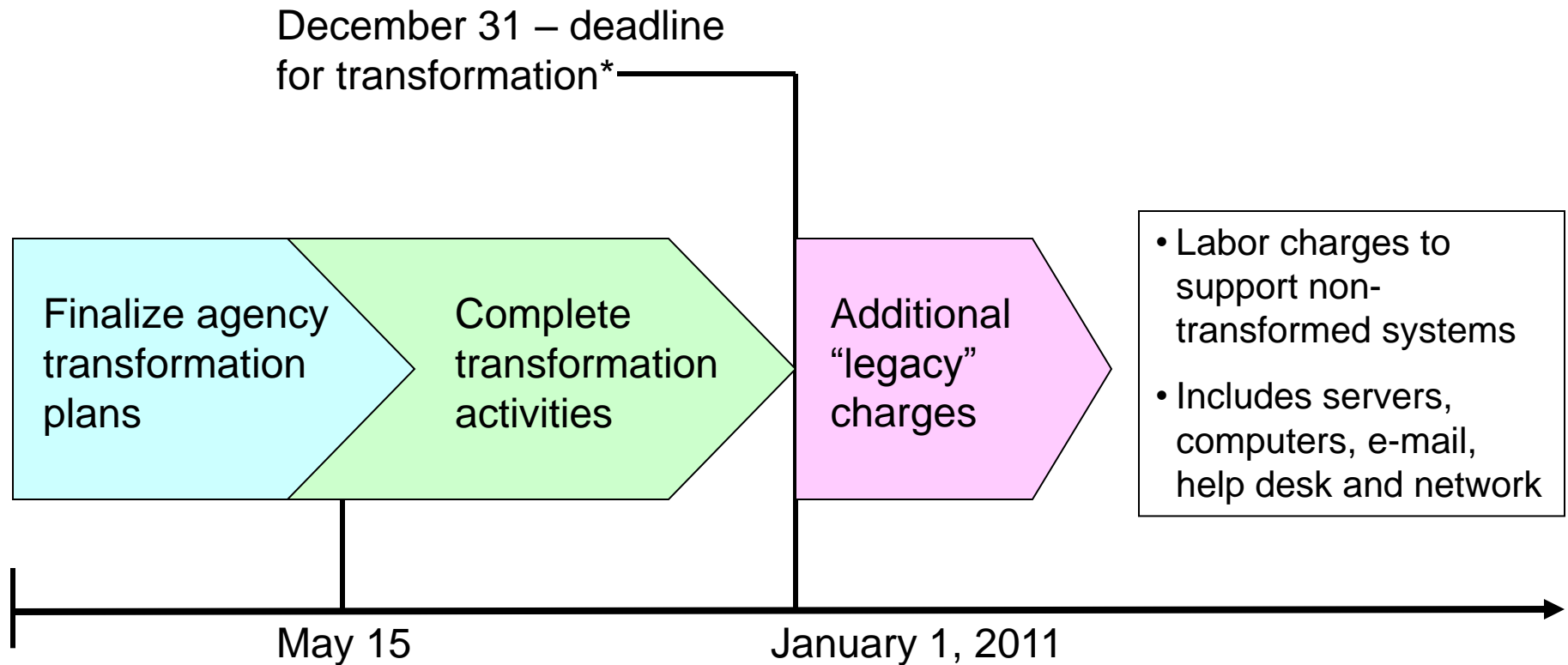


Transformation – What is it?

- Centralized monitoring, management and support of infrastructure for Executive Branch agencies
- Includes several 'towers'
 - Desktop computers, e-mail, help desk, storage, network, servers and maintenance as a packaged service
 - Regional support model
 - Hardware refresh
 - Security and network monitoring
 - 24 x 7 x 365
 - Standard IT support processes
 - Standard toolsets installed on computers/servers



Transformation - Contractual deadlines



* Transformation activities for DMAS, VSP, VDEM, DFS and VEC to be completed as soon as practicable



Transformation – Big Picture

Overall status as of 11/1/2010	
Total	89
Complete	69
Remaining	20
Scheduled signed	15
Scheduled, not signed est. CY2011	*5
*DFS, DMAS, VDEM, VEC, VSP	



Contract revisions – March 2010

The revisions set the tone for a more productive working relationship

Performance improvements

- Expedites service and response
- Provides agencies greater flexibility over administrative tasks
- Improves speed and quality of procurement and service requests
- Overhauls help desk services
- Adds new services and pricing options
- Moves desktop upgrades forward

Accountability & operational efficiencies

- Consolidates and strengthens Service Level Agreements (SLAs)
 - SLAs available online
- Increases SLA penalties by 15%
- Creates a clear, faster dispute resolution process
- Establishes three-month review period to ensure performance

Financial

- Extends contract three years
- Allows billing from a re-baselined inventory
- Provides for more detailed billing



New services, more choices and stronger metrics

- Provides needed services to meet business needs
 - Wireless
 - Data encryption
 - Managed firewall
 - Enterprise Virtual Private Network
 - Voice over Internet Protocol (VoIP) telephony
- Provides tiered solution options with different price points to meet budget and business needs
 - Storage
 - Servers
 - Printers
 - Copiers
 - Disaster recovery (DR)



Operational Improvement Initiatives – Current Status

Initiative	Implementation Status	In Service	Presentation
Rapid Response Team		Y	22-Sep
Inventory/Billing Disputes		Y	22-Sep
Laptop/Desktop Depot Service		Y	30-Sep
Expedited Shipping for Replacement Laptop/Desktop		*	27-Oct
Work Request Process & Tech Architecture/ Solutioning Re-Design		Y	27-Oct
Agency Tech Lead Empowerment		Y	10-Nov
Help Desk Re-Design		Y	10-Nov
Storage Management			Late November
Inventory Errors			December
Work Request and Procurement Processing Times			December



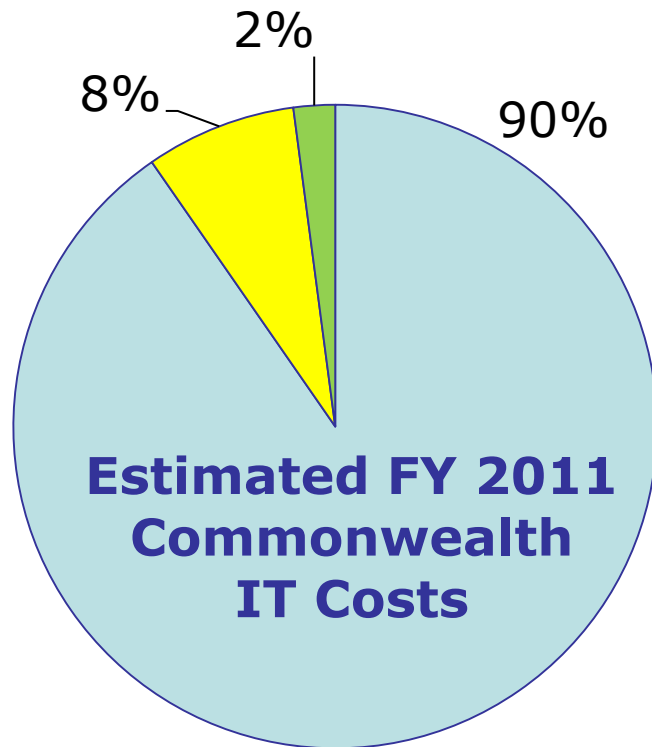
VITA Cost Recovery

The new rates include:

- Vendor costs
 - Direct, usage-based costs
 - Share of indirect (usually fixed) costs
 - Includes current year COLA (est.)
- VITA services
 - Reflects a 15% reduction in VITA's retained organization expenses



VITA Cost Recovery vs. Overhead



■ Vendor Expenses (per unit & fixed fees)

■ VITA Services

■ VITA Debt Recovery (Annual share)



Rate example

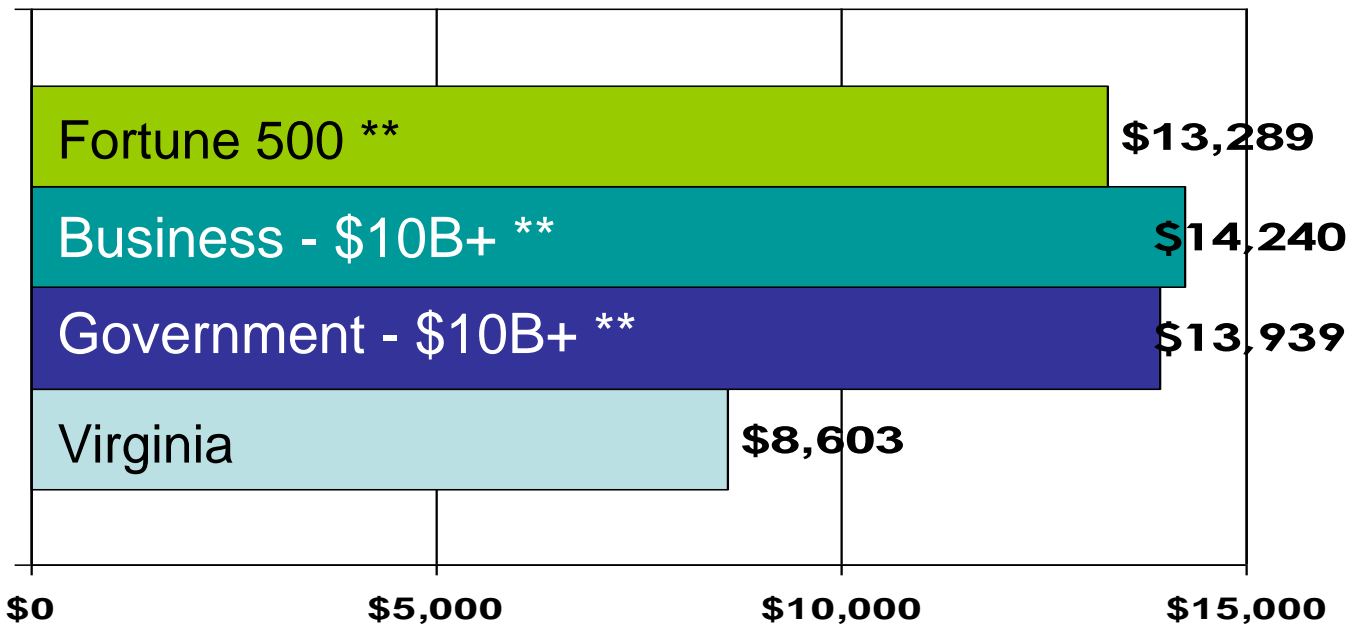
Bundled service: Laptop computers

<u>Laptop Rate:</u> Service Components	Vendor Per Unit Charge	Allocation of Vendor Fixed Fees	VITA Services	VITA Debt Recovery (Short Term)	Total
Hardware & Software	\$35.75	\$18.27	\$4.67	\$1.25	\$59.94
E-mail - Messaging	\$10.38	\$2.86	\$1.15	\$0.30	\$14.69
Technical Support	\$21.14	\$5.83	\$2.33	\$0.62	\$29.92
Help Desk	\$9.48	\$2.62	\$1.05	\$0.28	\$13.43
Total Laptop	\$76.75	\$29.58	\$9.20	\$2.45	\$117.98
% of Total	65.1%	25.0%	7.8%	2.1%	100.0%
Vendor 90.1%			VITA 9.9%		



How does Virginia's IT spend compare?

FY09 IT spend as annual cost per employee *



* Executive branch agencies "in scope" to VITA

Sources: Dept. of Planning and Budget Web site
JLARC 2009 IT spend analysis, *Review of VITA*

** Gartner IT Key Metrics Data 2009
Dept. of Accounts FY09 IT payroll data



VITA – Opportunities for Improvement

- Initiatives to improve agency productivity, manage IT consumption, reduce costs
 - Contract labor spend management (\$3.5M savings)
 - Collaboration solutions, enterprise electronic content management, e-mail archiving, e-discovery
 - Social media, cloud
 - Operational efficiency improvement initiatives
 - Service catalog
 - VoIP initiative
 - Telephone expense management
 - Enterprise applications
 - Sustainability of M&O expenses?



Questions

- Questions?
Samuel A. Nixon Jr.
CIO of the Commonwealth
(804) 416-6004
cio@vita.virginia.gov